

## 37 Am. Jur. 2d Fraud and Deceit § 186

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### Fraud and Deceit

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### IV. False Representations

### G. Representations and Statements as to Particular Matters

### 4. Credit, Solvency, and Financial Standing

## § 186. Representations as to one's own financial status—By purchaser

[Topic Summary](#) | [Correlation Table](#) | [References](#)

### West's Key Number Digest

West's Key Number Digest, [Fraud](#) , 27, 28

### Forms

[Am. Jur. Pleading and Practice Forms, Fraud and Deceit § 124](#) (Complaint, petition, or declaration—For damages—Misrepresentation as to own financial standing—General form)

[Am. Jur. Pleading and Practice Forms, Fraud and Deceit § 125](#) (Complaint, petition, or declaration—For damages—Misrepresentation as to own financial standing—Made through merchants' credit association)

If a buyer knowingly misrepresents the buyer's financial condition and thus induces the seller to sell the buyer goods on credit, the seller may rescind the sale and recover the goods sold.<sup>1</sup>

If the transactions attacked as fraudulent consist of a number of independent sales extending over a considerable time, and not a single transaction, application of the general principles must be applied to each transaction to obtain a proper result as there may be fraud justifying a rescission in one and not in another.<sup>2</sup>

A misrepresentation by the purchaser in a land contract as to the purchaser's financial responsibility may be ground for rescission by the seller where the contract provides for payment of the purchase price in future installments.<sup>3</sup>

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Footnotes

- 1 [Browning v. De Ford](#), 178 U.S. 196, 20 S. Ct. 876, 44 L. Ed. 1033 (1900); [McGregor v. Battle](#), 128 Ga. 577, 58 S.E. 28 (1907); [John Silvey & Co. v. Tift](#), 123 Ga. 804, 51 S.E. 748 (1905).
- 2 [Pelham v. Chattahoochee Grocery Co.](#), 146 Ala. 216, 41 So. 12 (1906).
- 3 [Olson v. Pettibone](#), 168 Minn. 414, 210 N.W. 149, 48 A.L.R. 913 (1926).

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